LOK SABHA

Tuesday, May 28, 1996/Jyaistha 7, 1918 (Saka)

(The Lok Sabha met at Eleven of the Clock)

[MR. SPEAKER *in the Chair*]

...(Interruptions)

MR. SPEAKER : Hon. Members, I have a very very special request to you today. The time available at our disposal is very limited and we have to conclude our debate by 12.45 P.M. at which time the Prime Minister will reply to the debate. With your permission, I want to forego the Zero Hour and Matters under Rule 377 but there are two important issues which are sought to be raised in the Zero Hour. I propose to allow only those two issues today and not Matters under Rule 377. We will straightaway resume the debate on the Confidence Motion.

Mr. Beni Prasad Verma and Mr. Prithviraj Chavan have raised a question on the legitimacy of a Cabinet decision taken yesterday on certain policy matters. So, I would allow Mr. Beni Prasad Verma and Mr. Prithviraj Chavan to raise it and later on, Mr. Ram Naik has a constitutional issue to raise. I think, two of them are enough so that I would request the Finance Minister to clarify the situation.

(Interruptions)

SHRI SONTOSH MOHAN DEV (Silchar) : Sir, you have not said what Mr. Naik wants to raise.

MR. SPEAKER : Mr. Naik is to raise an issue as to whether the Speaker can recognise a leader of the Opposition before the Member had taken oath. This is the legal question which Mr. Naik has raise. I would like to clarify that positon. Therefore, I am allowing Mr. Naik also. Now, Mr. Verma may speak.

(Interruptions)

[Translation]

SHRI DAU DAYAL JOSHI (Kota) : Mr. Speaker Sir, a blast has occurred near Dausa. *(Interruptions)*

MR. SPEAKER : I know.

(Interruptions)

11.04 hrs.

RE : POWER PURCHASE AGREEMENT BETWEEN GOVERNMENT OF MAHARASHTRA AND DABHOL POWER COMPANY.

[Translation]

SHRI BENI PRASAD VERMA (Kaiserganj) : Mr. Speaker, Sir, I want the Leader of the ruling Party to tell his Party members, as to how they should conduct themselves. The ruling party members should patiently hear their colleague and should be ready to reply.

Mr. Speaker, Sir, yesterday we heard the Prime Minister's speech. He said the Government's working should be transparent, free from corruption and its outlook should be liberal. This was the gist of his speech. Sir, nation and society can not be built merely by speeches. Today, we can not visualise the depths to which we are going.

KUMARI UMA BHARTI (Khajuraho) : Why are you making a speech?

SHRI BENI PRASAD VERMA : Mr. Speaker, Sir, I again seek your protection. If the ruling party member cannot be controlled by their leader, the Chair should control them...*(Interruptions)* The proverb, 'a guilty conscience cannot shed off its alarmed stance' aptly applies on them. *(Interruptions)* The then Government some years back had approved the Enron project in this House. I was not a member of this House at that time. I was a member of Legislative Assembly of Uttar Pradesh. But I came to know through the newspapers that the present ruling party members in this House had created a ruckus and tried to put the then Government in the dock, and had levelled corruption charges. When, they knew that their Government is going to collapse today and the entire House knew yesterday itself that they did not have the majority then under what circumstances did they have to take a decision regarding Enron?

[English]

MR. SPEAKER : You have made your point. I think, it is enough.

(Interruption)

[Translation]

SHRI BENI PRASAD VERMA : We are a democratic nation. The party having a majority only has the right to form the Government and assume power. But Sir, they do not have a majority support and therefore, this controversial power project can not have been deemed to be approved. What was the urgency for them to approve the project?

[English]

MR. SPEAKER : Mr. Verma, that is enough. You have made your point.

[Translation]

SHRI BENI PRASAD VERMA : Sir, I have a feeling that it is becoming a controversial topic throughout the nation, it smacks of corruption and everywhere it is being said that Rs. 1000 crores have changed hands. What else can explain the

need for taking such a quick decision? This Government can make a speech against corruption. But this Government should be removed quickly by voting on the no-confidence motion. By doing so, you would be rendering a great service to the nation.

[English]

MR. SPEAKER : Thank you very much. Yes, Mr. Prithviraj Chavan.

SHRI PRITHVIRAJ D. CHAVAN (Karad) : Mr. Speaker, Sir, I also want to bring to your attention the tearing hurry towards the all important decision to approve the amended Power Purchase Agreement (PPA) between the Government of Maharashtra and the Dabhol Power Company which was taken at 1.15 PM yesterday while the Motion of Confidence was still being debated in the Lok Sabha ...*(Interruption)*

SHRI ANIL BASU (Arambagh) : Sir, I am also on the same issue ...*(Interruption)*

SHRI PRITHVIRAJ D CHAVAN : Sir, you have recognised me. Let me speak.... *(Interruption)* Sir, please allow me to speak... *(Interruption)* We want to know as to what was the tearing hurry for a Government which is yet to seek the confidence of the Lok Sabha to meet during the Lunch Hour and hurriedly approve this amended Power Purchase Agreement. There are conflicting reports that there were pressure brought in by the American Government; there are reports that pressure was brought by the Shiv Sena Government in Maharashtra. We want to know What is the nexus between the approval of the PPA on the eve of the Motion of Confidence and the Motion which would be voted today?

SHRI ANIL BASU : Mr. Speaker, Sir, I am also on the same issue and may be permitted to speak ...*(Interruption)*

Sir, the Parliamentary Standing Committee on Energy under the Chairmanship of Shri Jaswant Singh, who is the Finance Minister of the present Government, unanimously decided and submitted a report to the Parliament of India that counter-guarantees should not be given to the Fast Track power projects. Unfortunately, in much anguish and agony, I would like to draw the attention of the House to the speech of the hon. Prime Minister who said, "we tried but did not succeed." After delivering the speech he rushed to the Cabinet meeting and approved the decision which is against the spirit of the Constitution. While he says that he does not believe in 'briefcase culture', I am sorry to say that he believes in 'gunny bag culture'...*(Interruptions)*

[Translation]

SHRI AMAR PAL SINGH (Meerut) : Mr. Speaker, Sir, I have given notice for Zero Hour...

MR. SPEAKER : Today, there will be no Zero Hour proceedings.

[English]

SHRI S. MALLIKARJUN (Mehboobnagar) : Sir, I have given a notice.

MR. SPEAKER : Yes.

THE FINANCE MINISTER (SHRI JASWANT SINGH): Mr. Speaker, Sir, I am entirely and totally appreciative of the views of the hon. Members' - a number of them - starting from my very good friend, eminent jurist, leader of the CPI(M) Party in Parliament and an institution in Parliament itself, Somnathji. It only reflects the alertness of the Opposition towards what the Government does. This is the essence of Parliamentary democracy.

So, Sir, if the hon. Members have raised this issue, their concern should be lauded. I have no difficulty in meeting the requirements of all the Members of Opposition and in explaining the position of the Government because this Government is committed to openness, transparency and accountability...*(Interruptions)* Broadly there are three aspects of it; what is the factual position attending upon this position, what is the nature of Government and what is the stand of this Government on the question of counter guarantee this. I think, is broadly the thrust and direction of the concern of the Opposition. I laud the concern because it grants us an opportunity to explain wholly and to the satisfaction of the House as to what the matter is.

Firstly, Sir, I will talk about the factual position. It is correct that the Union Cabinet has yesterday approved the amendments proposed by the Government of Maharashtra in the power purchase agreement signed between Dabhol Power Company and the Maharashtra State Electricity Board. This is the first point. The factual position is that the Dabhol project was initially approved by the previous Government on 30th December, 1992. The power purchase agreement was signed on 8th December, 1993 and a proposal to extend a sovereign counter guarantee for this project was cleared by the then Union Cabinet on 12.8.94. Work on the project commenced subsequently in April, 1995. Following a change of Government in Maharashtra, the Government of Maharashtra decided to stop the work on Phase-I and undertook further negotiations to improve the terms of agreement. Subsequently the Government of Maharashtra appointed an expert Committee to re-negotiate the project with Dabhol Power Corporation. Following extensive renegotiation the State Government obtained.

SHRI SURESH KALMADI (Pune) : You were supposed to dump this project into the sea. What has happened?

SHRI JASWANT SINGH : If the hon. Member would exercise some patience I would answer every query.

Following extensive renegotiation the State Government obtainec substantial improvements in the agreement signed earlier...*(Interruptions)*

SHRI ANIL BASU : Mr. Minister, would you please yield for a minute?

All these points were considered in the Sub-Committee of this power project. The Finance Secretary while giving the evidence said that giving counter guarantee is detrimental to the interest of the nation. All these aspects were discussed in the Committee and a unanimous Report was submitted.

MR. SPEAKER : Mr. Minister, I think the limited question here is, whether it was proper - or whether the propriety demands - that when the Government is in the midst of taking a Vote of Confidence, to take such a major decision and if the Government had to take a decision, what was the urgency.

SHRI JASWANT SINGH : I am explaining precisely that. I am explaining the nature of the decision taken...*(Interruptions)* You must restraint them, Sir.

MR. SPEAKER : Please listen to him.

(Interruptions)

SHRI ANIL BASU : What is the *locus standi* of the Government...*(Interruptions)*

MR. SPEAKER : Let the Minister answer

(Interruptions)

MR. SPEAKER : The Chair itself has posed a question. Why are you complicating it? Please sit down.

(Interruptions)

SHRI JASWANT SINGH : Sir, I am attempting to explain what is it that the Cabinet has done and consequently I will explain all these things What is the decision taken, why was it taken, and the issue of sovereign counter-guarantees. .*(Interruptions)*. .

SHRI BASUDEB ACHARIA (Bankura) : What was the urgency?. .*(Interruptions)*...

SHRI SURESH KALMADI : We want to know what was the urgency?...*(Interruptions)*

SHRI ANIL BASU : What was the moral authority of the Government?

SHRI JASWANT SINGH : I will explain the decision taken and for that it is necessary for me to convey here that the Central Electricity Authority and the Ministry examined the revised arrangement and have conveyed their approval to the Government of Maharashtra. The revised Phase-I of the project was approved during the time of the previous Government in the Cabinet meeting of 30th April, 1996 This Government has not taken any decision which has not earlier been taken by the Government. What we have done is consequent upon the decision and the request by the Government of Maharashtra to approve the changes in the PPA for the purpose of counter-guarantee which was given by the Union Government earlier in September, 1994. Sir, under the terms of this counter-guarantee, any change or amendment in the PPA requires the approval of the Union Government...*(Interruptions)*.

SHRI PRIYA RANJAN DAS MUNSI (Howrah) : We want to have a specific reply The question posed by the hon. Speaker shall only be answered and nothing else.. *(Interruptions)*

SHRI ANIL BASU : Sir, the only remedy available to this House is Article 74 of the Constitution. Article 74 of the Constitution empowers the President to send back the proposal to the Council of Ministers for reconsideration That is the only course available to the House. .*(Interruptions)*

MR. SPEAKER : Thank you very much. Mr. Minister, please be brief

SHRI JASWANT SINGH : Mr. Speaker, this Government simply ratified - let me repeat this- this Government has simply ratified a decision taken by the previous Government .*(Interruptions)*

[Translation]

MR. SPEAKER : Sit down, your Minister is standing.

[English]

Shri Achariaji, you are one of the senior most Members .*(Interruptions)*

MR. SPEAKER : Enough.

(Interruptions)

MR SPEAKER : You have ventilated your views Please sit down.

(Interruptions)

MR SPEAKER : The Speaker is on his legs

(Interruptions)

MR. SPEAKER : I think, we must have some patience to listen to the reply of the hon Minister If you are not satisfied with the reply then later on you can raise, but let the Minister complete his explanation. That is the minimum that the House expects from all the hon Members.

AN HON. MEMBER : I am on a point of order.

MR. SPEAKER : What is the point of order under what rule?

(Interruptions)

MR. SPEAKER : There is no point of order. Show me the Rule book.

(Interruptions)

MR. SPEAKER : Mr. Minister, please be brief.

SHRI JASWANT SINGH : I started saying that I think it is a reflection of the alertness of the Opposition.

AN HON. MEMBER : I have a point of order. I am on a point of order...*(Interruptions)*

MR. SPEAKER : I am not allowing. Who said I have allowed? Please listen to the Minister.

(Interruptions)

[Translation]

SHRI CHATURANAN MISHRA (Madhubani) : Mr. Speaker, Sir, I am on a point of order..*(Interruptions)*

[English]

MR. SPEAKER : No point of order.

[Translation]

SHRI CHATURANAN MISHRA : My point of order is that...*(Interruptions)*

MR. SPEAKER : Before raising any point of order, you should mention the rule, under which you want to raise it.

SHRI CHATURANAN MISHRA : My point of order is that, inspite of the order of the Speaker, the Minister, instead of giving a straight reply is going into the history. This flouts your order. This is my point of order. *(Interruptions)*

MR. SPEAKER : No, no. This is no point of order.

(Interruptions)

SHRI CHATURANAN MISHRA : Your order should not be flouted...*(Interruptions)*

MR. SPEAKER : Let the Minister speak. Your Minister is speaking.

(Interruptions)

[English]

SHRI JASWANT SINGH : Let me repeat - all that this Government has done is to ratify the revised PPA which the earlier Government has already approved. Why have we ratified it, Sir? It is not pending with the Government of Maharashtra. This matter has been pending with the Government here for the last three months.

The urgency was that if this decision is not taken, the matter goes into arbitration which will cause a loss to the exchequer. It automatically goes into arbitration. It is not a question of any new decision taken.

Secondly, the commitment of the Government of India remains kept at Rs. 15,000 crore which was an agreement of the previous Government. Not a single paisa has been added to that commitment.

Thirdly, it is in this background and to avoid a loss to the country, a loss of consequential power production to the country, that this decision was taken...*(Interruptions)*

There is one more aspect to it *viz.*, about counter guarantee and the nature of this Government. This Government is committed to certain principles. I do not wish to refer to the proceedings of the Committee which my hon. friend Shri Basu has referred. It is because we have had the pleasure and privilege of working together in that Committee for three years and whatever report has come, that has been unanimous. It is the tradition of this House that whatever transpires in a Committee is not normally referred to here. There is a technical point in it ...*(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): It was a unanimous Report. What is wrong in that?

SHRI JASWANT SINGH : As Chairman of that Committee, Shri Nirmal Chatterjee, you are aware what I have done and what I have not done. I am aware of the Committee's Report. I am also aware when it was laid on the Table. As far as the principle of counter guarantee is concerned, this Government has explicitly stated that the principle of counter guarantee is not acceptable to our Government. But we have inherited the continuing responsibility and our Government continued with the responsibility of counter guarantee which rests squarely with the previous Congress Government.

So, we have inherited commitments of the previous Government. Even when we are in disagreement with those inherited commitments and inherited agreements, we have to uphold them. It is because, the Government of India is a continuing entity and the Government of India can neither revoke nor go back on agreements committed by the previous Government simply because it is a political issue.

Sir, I commend to the hon. the Prime Minister that it was a great decision, it was a decision in the interest of India.

A point was made about the nature of the Government. An eminent jurist raised it. He knows more than any one else that the Constitution makes no distinction between a Government that has to win a Vote of Confidence or has not committed anything wrong. This Government was fully conscious on the

question of propriety. I assert, Sir, that this decision was in the national interest. It was a decision that we took to uphold the commitments of the previous Government. That is what we want not more than that.

SHRI BIJU PATNAIK (Aska) : Sir, regarding the decision taken on the question of counter guarantee, I would like to say that the last date was supposed to be next month.

The date was next month so what was the hurry, that I would like to ask from the Government . . *(Interruptions)*

SHRI SONTOSH MOHAN DEV (Silchar) : We are neither surprised nor shocked over what has been done, that is the perception of this Government. But, since they have mentioned about our Government's decision and that they are very keen to implement it, I would also like to draw your attention to the attempt that was made by our Government to bring an ordinance on the Dalit Christians and your delegation...*(Interruptions)* Let me finish ...*(Interruptions)*

MR. SPEAKER : Please, do not raise this issue I think the debate is concluded. Yes, Mr. Naik.

SHRI JASWANT SINGH : Sir, let me clarify on behalf of this Government and if the hon Member remembers very well, no ordinance was brought by the previous Government...*(Interruptions)*

MR. SPEAKER : No, it is closed

SHRI RAM NAIK (Mumbai North) : Mr. Speaker, Sir, I would like to raise an important issue ...*(Interruptions)*

MR. SPEAKER : Let us listen to him. Please listen to him.

(Interruptions)

MR. SPEAKER : Yes, Mr. Jena.

SHRI SRIKANTA JENA (Kendrapara) : Mr Speaker, Sir, the question which was raised ...*(Interruptions)*

MR. SPEAKER : I am not hearing anything

(Interruptions)

SHRI SRIKANTA JENA : Sir, the question which was raised by Shri Beni Prasad Verma and Shri Chavan is not the question on the merits of the case. The question is, 'what was the hurry?' . *(Interruptions)*

MR. SPEAKER : I have closed this chapter

(Interruptions)

MR. SPEAKER : No, I have closed this chapter. Yes, Mr. Naik, please carry on.

(Interruptions)

MR. SPEAKER : Order, please.

RE: RECOGNITION OF THE LEADER OF THE OPPOSITION

[English]

SHRI RAM NAIK : Sir, I want to raise an important constitutional issue, also an issue with reference to our rules and from the point of view of parliamentary etiquettes and conventions. It is about the appointment of the Leader of the Opposition ...*(Interruptions)*

SHRI SRIKANTA JENA : Sir, can any Member raise a question on the decision of the hon. Speaker? That is a question on the decision of the hon Speaker...*(Interruptions)*

MR. SPEAKER : Please, he is asking a question and I think it is quite all right.

(Interruptions)

MR. SPEAKER : Come on, I will clarify that

SHRI RAM NAIK : Sir, it is about the appointment of the Leader of the Opposition with retrospective effect from 16th May. The Members of this House have taken oath on 22nd. Sir, when a person becomes a Member of the House then only he can become the Leader of the Opposition. So, I want to invite your attention to Kaul and Shakdher.

MR. SPEAKER : I do not think it is required. I am very clear about your question.

SHRI RAM NAIK : Sir, I have to.

MR. SPEAKER : You do not have to refer to that.

(Interruptions)

SHRI RAM NAIK : Sir, I have to argue . . *(Interruptions)*

MR. SPEAKER : I have understood your question. I do not think that I require it.

SHRI RAM NAIK : Sir, I want to explain it

MR. SPEAKER : They have a valid point whether the Speaker's decision can be raised on the floor of the House. In spite of that, I have allowed you.

SHRI RAM NAIK : Sir, if the procedure was wrong, I have every right to bring to your notice and from that point of view I am bringing it...*(Interruptions)*

SHRI RAM VILAS PASWAN (Hajipur) : Sir, this will set a wrong convention...*(Interruptions)*

SHRI RAM NAIK : Sir, a person becomes a Member of the House only when he takes an oath or affirmation in the House according to the Constitution. Article 99 very categorically says :

> "Every Member of either House of Parliament shall before taking his seat, before the President or some person appointed in that behalf by him, an oath or affirmation according to the form set out for the purpose in the Third Schedule."